



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AUDIT EXAMINATION OF THE  
TAYLOR COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 1998**

**EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS  
[WWW.STATE.KY.US/AGENCIES/APA](http://WWW.STATE.KY.US/AGENCIES/APA)**

**144 CAPITOL ANNEX  
FRANKFORT, KY 40601  
TELE. (502) 564-5841  
FAX (502) 564-2912**



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Edward B. Hatchett, Jr.  
Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Sarah Jane Schaaf, Secretary, Revenue Cabinet

Honorable Eddie Rogers, County Judge/Executive

Honorable Fred L. Waddle, Former County Judge/Executive

Members of the Taylor County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Taylor County, Kentucky, as of June 30, 1998, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Taylor County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Taylor County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Taylor County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1998, in conformity with the cash basis of accounting described above.

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Sarah Jane Schaaf, Secretary, Revenue Cabinet

Honorable Eddie Rogers, County Judge/Executive

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Members of the Taylor County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Taylor County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated August 19, 1999, on our consideration of Taylor County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.

Auditor of Public Accounts

Audit fieldwork completed -

August 19, 1999

TAYLOR COUNTY OFFICIALS

Fiscal Year Ended June 30, 1998

Fred L. Waddle	County Judge/Executive
Craig Cox	County Attorney
Randall G. Phillips	County Clerk
Sam Newcomb	Circuit Court Clerk
John E. Shipp	Sheriff
Rodney Burrese	Jailer
Julie Shields	Property Valuation Administrator
Maxine White	County Treasurer
Terry M. Dabney	Coroner
Bobby Kirtley	Magistrate
Gary L. Osborne	Magistrate
Edwin Stamp	Magistrate
Marshall Caulk	Magistrate
Bobby T. Roots	Magistrate
J.W. McFarland	Magistrate





STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS



TAYLOR COUNTY  
STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1998

Assets

General Fund:

Cash \$ 477,280

Road and Bridge Fund:

Cash 18,975

Jail Fund:

Cash 44,279

Local Government Economic Assistance Fund:

Cash 1,755

Fire Protection Fund:

Cash 28

Deferred Compensation Plan Account - Cash

280

Payroll Revolving Account - Cash

4,533

Total Assets

\$ 547,130

Liabilities and Fund Balances

Liabilities

Deferred Compensation Plan Account

\$ 280

Payroll Revolving Account

4,533

Fund Balances

Reserved:

Fire Protection Fund 28

Unreserved:

General Fund 477,280

Road and Bridge Fund 18,975

Jail Fund 44,279

Local Government Economic Assistance Fund 1,755

Total Liabilities and Fund Balances

\$ 547,130

The accompanying notes are an integral part of the financial statements.

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STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

TAYLOR COUNTY  
STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1998

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 2,371,554	\$ 1,359,407	\$ 925,171	\$ 81,645
Transfers In	322,390			322,390
Kentucky Advance Revenue Program	640,540	516,940	123,600	
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total Cash Receipts	<u>\$ 3,334,484</u>	<u>\$ 1,876,347</u>	<u>\$ 1,048,771</u>	<u>\$ 404,035</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 2,282,896	\$ 946,501	\$ 941,546	\$ 391,207
Transfers Out	322,390	322,390		
Kentucky Advance Revenue Program Repaid	640,540	516,940	123,600	
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total Cash Disbursements	<u>\$ 3,245,826</u>	<u>\$ 1,785,831</u>	<u>\$ 1,065,146</u>	<u>\$ 391,207</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 88,658	\$ 90,516	\$ (16,375)	\$ 12,828
Cash Balance - July 1, 1997	453,659	386,764	35,350	31,451
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Cash Balance - June 30, 1998	<u>\$ 542,317</u>	<u>\$ 477,280</u>	<u>\$ 18,975</u>	<u>\$ 44,279</u>

The accompanying notes are an integral part of the financial statements.

TAYLOR COUNTY  
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN CASH BALANCES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

Local Government Economic Assistance Fund	Fire Protection Fund
\$ 4,307	\$ 1,024
<u>\$ 4,307</u>	<u>\$ 1,024</u>
\$ 2,642	\$ 1,000
<u>\$ 2,642</u>	<u>\$ 1,000</u>
\$ 1,665 90	\$ 24 4
<u>\$ 1,755</u>	<u>\$ 28</u>

TAYLOR COUNTY  
NOTES TO FINANCIAL STATEMENTS

June 30, 1998

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Taylor County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, there are no component units which merit consideration as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Taylor County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.



TAYLOR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1998  
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.65 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintains deposits with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to law, the depository institution should pledge sufficient securities as collateral which, together with FDIC insurance, equals or exceeds the amount on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge of securities should be evidenced by an agreement that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. This agreement, signed by both parties, must be sufficient to create an enforceable and perfected security interest in the collateral under Kentucky law. The county met the requirements stated above, and as of June 30, 1998, deposits were fully insured or collateralized at a 100% level with securities held by the county's agent in the county's name.

TAYLOR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1998  
(Continued)

Note 3. Deposits (Continued)

The county's deposits are categorized below to give an indication of the level of risk assumed by the county as of June 30, 1998.

	<u>Bank Balance</u>
Collateralized with securities held by the county's agent in the county's name	\$ 0
Collateralized with securities held by pledging depository institution in the county's name	424,700
Uncollateralized and uninsured	<u>0</u>
Total	<u><u>\$ 424,700</u></u>

Note 4. Lease-Purchase Agreement

On July 29, 1997, the Taylor County Fiscal Court entered into a lease-purchase agreement with the Kentucky Association of Counties Leasing Trust (KACoLT). The lease-purchase agreement was for the purchase of Sheriff's cars and equipment. The principal was \$49,833 at 4.22 percent for a period of 5 years, interest and principal paid monthly. Principal outstanding as of June 30, 1998, is \$42,239. Lease payment requirements excluding an anticipated interest rebate from KACoLT are:

<u>Fiscal Year</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
1999	\$ 1,601	\$ 9,472
2000	1,193	9,879
2001	768	10,304
2002	335	10,748
2003	<u>10</u>	<u>1,836</u>
Totals	<u><u>\$ 3,907</u></u>	<u><u>\$ 42,239</u></u>

Note 5. Insurance

TAYLOR COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1998  
(Continued)

For the fiscal year ended June 30, 1998, Taylor County was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

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COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE



TAYLOR COUNTY  
COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1998

<u>Budgeted Funds</u>	Budgeted Operating Revenue	Actual Operating Revenue	Over (Under) Budget
General Fund	\$ 1,015,933	\$ 1,359,407	\$ 343,474
Road and Bridge Fund	915,390	925,171	9,781
Jail Fund	79,181	81,645	2,464
Local Government Economic Assistance Fund	4,276	4,307	31
Fire Protection Fund	<u>1,000</u>	<u>1,024</u>	<u>24</u>
Total	<u>\$ 2,015,780</u>	<u>\$ 2,371,554</u>	<u>\$ 355,774</u>

Reconciliation

Total Budgeted Operating Revenue Above	\$ 2,015,780
Add: Budgeted Prior Year Surplus	386,109
Add: Budgeted Borrowed Money	640,540
Less: Other Financing Uses	<u>(640,540)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures	<u>\$ 2,401,889</u>

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SCHEDULE OF OPERATING REVENUE

TAYLOR COUNTY  
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1998

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Revenue From Local Taxes and Excess Fees</u>				
Sheriff:				
Taxes	\$ 484,137	\$ 483,113	\$	\$
Excess Fees - 1997	12,334	12,334		
County Clerk:				
Deed Transfer Tax	44,603	44,603		
Delinquent Taxes	3,102	3,102		
Excess Fees - 1997	210,387	210,387		
Excess Fees - 1996	18,018	18,018		
Tangible Personal Property Taxes:				
Other Counties	15,648	15,648		
County Clerk	79,290	79,290		
In Lieu of Taxes:				
U.S. Treasurer	11,582	11,582		
Bank Franchise Taxes	37,836	37,836		
Omitted Tangible Taxes	5,890	5,890		
Totals	\$ 922,827	\$ 921,803	\$ 0	\$ 0
<u>Federal Receipts - State Treasurer</u>				
Disaster and Emergency Assistance				
Grant - Coordinator Salary	\$ 1,275	\$ 1,275	\$	\$
Federal Disaster and Emergency				
Services/Emergency Management				
Agency Reimbursement	32,225		32,225	
Totals	\$ 33,500	\$ 1,275	\$ 32,225	\$ 0

TAYLOR COUNTY  
SCHEDULE OF OPERATING REVENUE  
Fiscal Year Ended June 30, 1998  
(Continued)

Local	
Government	
Economic	Fire
Assistance	Protection
<u>Fund</u>	<u>Fund</u>

\$	\$ 1,024
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<u>\$ 0</u>	<u>\$ 1,024</u>
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\$	\$
----	----

<u>\$ 0</u>	<u>\$ 0</u>
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TAYLOR COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 55,514	\$	\$	\$ 55,514
Medical Allotments	4,369			4,369
Driving Under The Influence Fees	3,964			3,964
Court Costs, Jail Operation	16,540			16,540
County Road Aid	556,286		556,286	
Municipal Road Aid	152,961		152,961	
Truck License Distribution	151,651		151,651	
Courthouse Rental - Administrative				
Office of the Courts	50,880	50,880		
Refunds:				
Legal Process Tax	135	135		
Drivers Licenses	2,113		2,113	
Dog Licenses	706	706		
Severance Taxes:				
Mineral	3,014			
Board of Assessments	200	200		
Grants:				
Fire Department	41,000	41,000		
Disaster and Emergency Assistance	345	345		
Totals	<u>\$ 1,039,678</u>	<u>\$ 93,266</u>	<u>\$ 863,011</u>	<u>\$ 80,387</u>

Miscellaneous Revenue

Interest	\$ 61,666	\$ 39,632	\$ 19,664	\$ 1,258
Parks and Recreation	8,308	8,308		
PVA - Refund of Surplus Moneys	8,074	8,074		
Animal Shelter	19,477	19,477		
Rent	1,200	1,200		
Cable TV - Franchise Fees	34,740	34,740		
Solid Waste - Franchise Fees	45,219	45,219		
Telephone 911 Surcharge	129,144	129,144		

TAYLOR COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1998  
 (Continued)

Local	
Government	
Economic	Fire
Assistance	Protection
<u>Fund</u>	<u>Fund</u>

\$	\$
----	----

3,014

<u>\$</u>	<u>3,014</u>	<u>\$</u>	<u>0</u>
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\$	1,112	\$
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TAYLOR COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue</u>				
<u>(Continued)</u>				
Tourism	\$ 34,869	\$ 34,869	\$	\$
Insurance Reimbursement	15,779	13,268	2,511	
Refunds	2,272	2,272		
Miscellaneous Items	14,801	6,860	7,760	
Totals	<u>\$ 375,549</u>	<u>\$ 343,063</u>	<u>\$ 29,935</u>	<u>\$ 1,258</u>
Total Operating Revenue	<u>\$ 2,371,554</u>	<u>\$ 1,359,407</u>	<u>\$ 925,171</u>	<u>\$ 81,645</u>

TAYLOR COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1998  
 (Continued)

Local	
Government	
Economic	Fire
Assistance	Protection
<u>Fund</u>	<u>Fund</u>

\$	\$
----	----

<u>181</u>	<u></u>
\$ 1,293	\$ 0
<u>\$ 4,307</u>	<u>\$ 1,024</u>

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COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES



TAYLOR COUNTY  
COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1998

	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 48,312	\$ 48,312	\$
Secretary	15,261	15,261	
Office Materials and Supplies	6,300	6,300	
Travel	4,500	3,591	909
Advertisement	1,500	842	658
Office of County Attorney:			
Salaries-			
County Attorney	12,659	12,659	
Secretary	9,190	9,190	
Office of County Clerk:			
County Clerk Salary	1,849	1,849	
Advertising	300	238	62
Office Materials and Supplies	8,268	8,268	
Printing and Binding	8,652	8,652	
Tax Bill Preparation	5,000	5,000	
Postage	8,000	7,210	790
Office of Sheriff:			
Deputies Salaries	15,114	15,114	
Materials and Supplies	4,000	3,800	200
Cars	10,153	10,020	133
Office of County Coroner:			
Salaries-			
County Coroner	10,133	10,133	
Deputy Coroner	3,479	3,479	
Fringe Benefits	2,500	2,487	13
Autopsies and Attendant Service	1,200	1,200	
Materials and Supplies	2,100	2,100	
Travel	1,000	1,000	

TAYLOR COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Fiscal Court:			
Magistrates Salaries	\$ 48,000	\$ 48,000	\$
Legal Services	2,000	1,445	555
Pest Control	1,500	1,077	423
Contributions	1,000		1,000
Magistrates Dues	1,000	844	156
Miscellaneous	1,000	733	267
Office of Property Valuation Administrator:			
Telephone	1,800	1,800	
Statutory Contribution	25,000	24,400	600
Inspection Advertisement	100	100	
Conferences	200	200	
Office of Board of Assessment Appeals:			
Per Diem	500	400	100
Office of County Treasurer:			
County Treasurer Salary	27,739	27,739	
Advertising	1,600	1,163	437
County Law Library:			
Law Librarian Salary	1,200	1,200	
Elections:			
Per Diem-			
Election Commissioners	2,000	1,000	1,000
Election Officers	9,000	6,527	2,473
Election Tabulators	700		700
Maintenance and Repair Services -			
Voting Machines	4,518	4,518	
Rentals	5,366	3,864	1,502
Printing Ballots	2,000	1,841	159
Transporting Voting Machines	900	707	193

TAYLOR COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Economic Development:			
Program Support	\$ 75,000	\$ 75,000	\$
Courthouse:			
Janitorial Contract	16,800	16,800	
Elevator Maintenance	2,000	1,608	392
Custodial Supplies	5,000	4,670	330
Courthouse Maintenance	15,000	14,992	8
Telephone	15,961	15,730	231
Utilities	32,205	32,205	
Maintenance Agreement	4,000	3,840	160
<u>Protection to Persons and Property</u>			
County Fire Department:			
Contributions	30,000	30,000	
Rescue Squad:			
Contributions	15,000	15,000	
Disaster and Emergency Services:			
Director Salary	4,161	4,161	
Emergency Dispatch Service:			
Equipment and Supplies	11,000	1,482	9,518
911 Mapping	91,000	28,760	62,240
Office of Public Defender:			
Program Support	1,563	1,563	

TAYLOR COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Health and Sanitation</u>			
Dog Control:			
Dog Pound Operations	\$ 40,000	\$ 33,372	\$ 6,628
Solid Waste:			
Education Program	500		500
Soil and Water Conservation:			
Contributions	25,000	25,000	
<u>Social Services</u>			
Service to Indigents:			
Attorney Fees	1,000	100	900
Miscellaneous	500		500
Senior Citizens Program:			
Senior Citizens Assistance	867	867	
General Charity and Welfare:			
Pauper Burials	3,000	3,000	
Victims' Assistance:			
Program Support	1,442	1,442	
<u>Recreation and Culture</u>			
Parks:			
City/County Park Contribution	22,597	22,597	
Tourist and Convention:			
Tourism Contribution	34,868	34,867	1
<u>Airports</u>			
Airport Operations and Maintenance:			
Contributions	28,000	28,000	

TAYLOR COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Debt Service</u>			
Borrowed Money:			
Interest	\$ 3,000	\$ 11,052	\$ (8,052)
<u>Administration</u>			
General Services:			
Audit	13,460	13,460	
Insurance	33,131	33,131	
Official Bonds	8,092	8,092	
Memberships	1,444	1,099	345
ADD Membership Dues	1,000	926	74
KACO Membership Dues	1,000	900	100
Contingent Appropriations:			
Reserve For Budget Transfers	554		554
Fringe Benefits:			
County Contributions-			
Social Security	49,695	49,695	
Retirement	50,690	50,690	
Health Insurance	22,296	22,296	
Worker's Compensation	49,738	49,738	
Unemployment Insurance	6,500	6,103	397
Total Operating Budget	\$ 1,033,657	\$ 946,501	\$ 87,156
Other Financing Uses:			
Kentucky Advance Revenue Program-			
Principal	516,940	516,940	
Total General Fund	\$ 1,550,597	\$ 1,463,441	\$ 87,156

TAYLOR COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u>			
<u>Roads</u>			
Road Maintenance:			
Salaries-			
Road Foreman	\$ 26,224	\$ 26,224	\$
Road Laborers	155,210	154,842	368
Part-Time Personnel	14,415	14,385	30
Machinery and Equipment-			
Repairs	40,744	40,744	
New Road Machinery	6,013	6,013	
Tires and Tubes	15,000	14,325	675
Road Materials and Supplies	604,001	604,001	
Petroleum Products	18,489	18,407	82
<u>Debt Service</u>			
Borrowed Money:			
Interest	400	2,643	(2,243)
<u>Administration</u>			
General Services:			
Insurance	16,000	15,676	324
Recordings	12	12	
Fringe Benefits:			
County Contributions-			
Social Security	15,000	11,696	3,304
Retirement	18,000	13,266	4,734
Health Insurance	19,882	18,312	1,570
Worker's Compensation	1,000	1,000	
Total Operating Budget	\$ 950,390	\$ 941,546	\$ 8,844
Other Financing Uses:			
Kentucky Advance Revenue Program-			
Principal	123,600	123,600	
Total Road and Bridge Fund	\$ 1,073,990	\$ 1,065,146	\$ 8,844



TAYLOR COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u>			
<u>Protection to Persons and Property</u>			
Office of Jailer:			
Personnel Services-			
Salaries-			
Jailer	\$ 20,971	\$ 20,971	\$
Operations-			
Routine Medical	22,085	18,395	3,690
Transporting Prisoners to			
Other Counties	55,550	55,550	
Vehicles	22,795	19,953	2,842
Housing Prisoners - Other Counties	247,396	247,396	
Juvenile Detention:			
Contracts With Other Counties	27,000	19,880	7,120
Transporting Juveniles	5,000	2,959	2,041
<u>Social Services</u>			
Contracted Services - Emergency Shelter	5,000		5,000
<u>Administration</u>			
General Services:			
Association Dues	50		50
Staff Training	200	107	93
Fringe Benefits:			
County Contributions-			
Social Security	2,000	1,663	337
Retirement	2,000	1,814	186
Health Insurance	2,519	2,519	
Total Jail Fund	\$ 412,566	\$ 391,207	\$ 21,359

TAYLOR COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</u>			
<u>General Government</u>			
Office of County Coroner:			
Fringe Benefits	\$	\$ 181	\$ (181)
<u>Protection to Persons and Property</u>			
Forestry Fire Protection:			
Forest Resource Services	500	248	252
Office of Public Defender:			
Public Advocacy Program	2,643	1,080	1,563
<u>Social Services</u>			
Senior Citizens Program:			
Council on Aging	1,133	1,133	
Total Local Government Economic Assistance Fund	\$ 4,276	\$ 2,642	\$ 1,634
<u>FIRE PROTECTION FUND</u>			
<u>Protection to Persons and Property</u>			
Forest Fire Protection	\$ 1,000	\$ 1,000	\$ 0
Total Operating Budget - All Funds	\$ 2,401,889	\$ 2,282,896	\$ 118,993
Other Financing Uses:			
Kentucky Advance Revenue Program-Principal	640,540	640,540	
TOTAL BUDGET - ALL FUNDS	\$ 3,042,429	\$ 2,923,436	\$ 118,993

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS





## Edward B. Hatchett, Jr. Auditor of Public Accounts

Honorable Eddie Rogers, County Judge/Executive  
Honorable Fred L. Waddle, Former County Judge/Executive  
Members of the Taylor County Fiscal Court

### Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Taylor County, Kentucky, as of and for the year ended June 30, 1998, and have issued our report thereon dated August 19, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

#### Compliance

As part of obtaining reasonable assurance about whether Taylor County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Taylor County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable Eddie Rogers, County Judge/Executive  
Honorable Fred L. Waddle, Former County Judge/Executive  
Members of the Taylor County Fiscal Court  
Report On Compliance And On Internal Control Over Financial Reporting Based On An  
Audit Of Financial Statements Performed In Accordance With Government Auditing Standards  
(Continued)

This report is intended for the information of management. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
August 19, 1999

CERTIFICATION OF COMPLIANCE – LOCAL  
GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAM

TAYLOR COUNTY FISCAL COURT

Fiscal Year Ended June 30, 1998





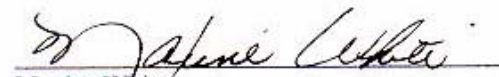
CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAM

TAYLOR COUNTY FISCAL COURT

The Taylor County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.

  
Fred L. Waddle  
County Judge/Executive

  
Maxine White  
County Treasurer

